

# **Rich Man, Poor Man, Beggar Man, Thief** **(or Confessions of a Departmental Budget Director)**

June 25, 1998

by Carl L. Moravitz  
and Sue Fedor

---

**Rich Man** . . . *A job rich in opportunities and challenges*, a Budget Director's role is often one of managing the Federal budget process alongside an elaborate decision maze that accompanies a major Department. It's a job filled with many first hand opportunities to help others understand the budget process, as well as, opportunities to show them that, even with its complications, the process can work positively to meet their needs.

**Poor Man** . . . *There's a dose of reality that accompanies the big time bucks.* Some days you think you're paid too much . . . Some days you are convinced you're not paid enough. *No process is ever the same the next time around . . . no contact or decision yields the same result when repeated. But the psychic income is great and it's non-taxable.*

The job is laden with the all important process management tasks and "*budget techy*" explorations that one routinely expects from a Budget Office . . . all designed to: (1) analyze needs; (2) manage a process to secure those needs; and (3) maintain good stewardship in the use of funds once received.

*But the excitement goes further.* . . It extends to overall Federal deficit management, as well as the Federal budget process at the aggregate-congressional level -- from the initial President's Budget to enactment of the final Appropriation and its management -- *whereas this used to be a nine month process; it has now become a never-ending process.* As one reflects on the budget process, it can be helpful to visualize the process as a coil, with each curl resting on top of another -- each cycle proceeding concurrently to others. *If initially viewed in the linear, it will be difficult to follow. If one prepares for confusion, the budget process is easier to understand.*

**Beggar Man, Thief** . . . *Don't Be So Hasty! This is covered at the end!*

---

## **The Process**

The Administration and Departmental formulation "Process" for Agencies? Where shall we start? Congressional? Administration? Department? GPRA? *Here's a little on each, for your thoughts . . .*

### **(1) Department**

Budget priorities in the President's Budget have their genesis in each Department and Agency of the federal government. At a Department, like Treasury, separated into bureaus, these decisions actually begin in the bureaus -- at the program level. *The Bureau budget director:*

- *Facilitates* and directs the process of justification, review, acceptance and prioritization of the programs and funding; and
- *Negotiates* between competing program interests.

Decisions percolate up to me, in the form of each bureau's budget request to the Department. *At my level, a layer of complication is added.* I am concerned with competing program interests as well -- but multiplied times by 10 plus individual, appropriated bureaus.

Some Departments and agencies operate differently -- with more review and justification effort focused centrally. These organizations tend to have larger budget offices, handling everything from developing financial plans all the way to inputting data into OMB's system that produces the President's Budget. Treasury has alternated between detailed involvement on the one hand (control over a great deal of the process) and higher level involvement on the other (Bureaus do most of the work; we concentrate on guidance, review, clearance, and presentation). *Currently, Treasury operates in this higher level mode.*

At Treasury, we are organized into a structure of individual budget examiners, who are generally assigned at least one bureau of all-around responsibility. *We also specialize a bit -- using skilled analysts to manage:* (1) Centralized database management (*accurate and well presented numbers are the heart of a budget office*); (2) Congressional transcripts and responses (a process that is becoming more extensive each year, with transcript questions approaching between 1,500 and 2,000 annually); (3) Labor cost analysis (over 75% of Treasury's budget are personnel costs); (4) Performance-Based budgeting (along with enhanced quality of outcome measures); (5) Internal financial plan management; (6) Summary documents, etc.

Departmental formulation is really a process that exists outside specific time boundaries. Done properly, it is a year-round task. *We are required to manage the current year, while, at the same time, trying to tell our story for the year ahead. Like shifting sand, events occurring today can destroy our credibility tomorrow. The appropriators have an amazing ability to see right through weaknesses in our themes and messages, therefore, it is essential that we operate with facts and understand what they mean for our direction and vision.*

We have observed that the process involves and means many things: (1) Getting to know program functions of your agency -- in our case, each of our bureaus; (2) Engaging in decision-making systems at the Departmental level and *knowing the Department's and the Administration's priorities*; (3) Analyzing current budget data to determine trends or highlight concerns; (4) Making sure -- through guidance, oversight, and facilitation of the Departmental decision process -- that the budget brought forth from bureaus reflects Agency priorities and addresses issues previously identified; (5) Using expertise, resident in the Departmental Budget Office, to strengthen budget justifications, and ensure clear presentations and a unified voice.

## **(2) Now, in the real world . . .**

Under GPRA (the Government Performance and Result Act), all federal agencies must coordinate their budget and planning processes. The budget must also be coordinated with other major administrative support functions: personnel, procurement, and information systems to ensure linkage. It brings together **manager, worker, and stakeholder** to focus on three things: (1) Purpose of programs; (2) Means to achieve them; and (3) Progress towards achievement. *The purpose of GPRA is to fundamentally change the focus of federal management and accountability from a preoccupation with inputs and processes to a greater emphasis on the outcomes and results that programs are achieving.*

*Big words, but absolutely critical. A focus on outcomes -- in essence, the return on investment for federal programs -- is especially important in the current environment in which the federal government*

*faces severe and continuing budget pressures.*

Once our analyses of the bureau budgets for the year ahead are complete, they are shared with Departmental Policy Officials, including the Secretary. *Observations are:*

- Looked at as sometimes good and sometimes bad (*I view it as more good than bad*), I have a lot of "quality time" with the Secretary, the Deputy Secretary, and Assistant Secretaries.
- Our review process is made more complicated by the diversity of our programs -- everything from financial management and tax administration, to manufacturing, and law enforcement. We key mission emphases to bring these together, such as: (1) Foster a Safer America; (2) Effectively Manage Government Finances; (3) Promote a Prosperous and Stable American and World Economy.
- To strengthen and ensure sufficient oversight of such diverse operations, Treasury has in place high level program oversight offices: Enforcement, Domestic Finance, Fiscal Service & Debt Management, Tax Policy, Economic Policy, International Affairs, etc. . . .
- Each program oversight area also reviews budget decisions to set priorities. Their decisions are not always consistent with our Department-wide analysis of the budget. *Nevertheless, they have equal, if not sometimes, superior weight as Departmental decision makers.*

***Throughout this process, however, our Department-wide decision-makers rely on us to inform them of all stakeholder concerns and analyze their importance.***

In September, each agency is required to submit an agency-wide budget request to OMB. Over the past few years, because the process has broken down a bit, and because of delayed appropriations, the Departmental process and the OMB process have become less distinct. One bleeds into the other.

- Many times, Departmental decisions are still rather soft at the time of the OMB request and can be influenced by OMB, ***or, said differently***, timing has forced some decisions one way, before full information has been brought to the table -- new information and additional perspectives sometimes yield different decisions.
- Similarly, decisions at OMB can be influenced by the Department. As a main point of contact for OMB, I process all communications to and from OMB. I move to resolve as much as I can at my level, but inform my superiors when they need to respond to OMB -- ***I try to empower myself as much as possible -- this makes them more effective.***
- I coordinate and clear most Department-wide responses to OMB (and the Hill). I provide guidance to bureaus in their dealings with OMB and Congress.
- From time to time, the Department strives to maintain a unified voice and a central point of contact in the budget office for OMB and Congress. Sometimes we're successful, sometimes we fail. Sometimes it's crucial to protect Departmental interests, other times we just get in the way. ***Knowing when to engage and when to back off is part of my job.***

In cooperation with Legislative Affairs, I am a main contact point for the Appropriations Committees. Congress relies on as single a voice as possible for Department and Administration priorities. ***Staying current as best as possible is probably the critical element of element of my job*** -- allowing me to be the most effective at:

- ***Articulating*** Departmental policy with Appropriations Committees, and establishing a communications link they need to rely on us for input;
- ***Knowing*** when to engage Policy Officials within the Department and OMB, so that they can weigh in effectively, and in a timely manner, with their expertise and influence;
- ***Managing*** communication with Appropriations Committees by those who are not familiar with the broader perspectives and Departmental priorities is a challenge of the job -- the balance of communication must be preserved to permit the necessary input of subject matter experts.

**Beggar Man, Thief** . . . I think most folks get the impression (especially some of our bureaus) that someone at my level spends their day “robbing Peter to pay Paul.” ***I think they’d be surprised to find that I spend a lot of time trying to find ways to pay both.*** Sometimes I’m forced to choose -- or must inform the decision makers that they must choose. But sometimes, opportunities exist to find innovative funding mechanisms, such as:

- Use of revolving funds or alternative outlay spendout rules;
- Working within the maze of "Pay-As-You-Go" scoring conventions;
- Searching for offsets to meet an emerging priorities;
- Structuring user fees charges to benefit the Agency;
- Pursuing capital/automation accounts to provide for additional appropriation opportunities in an era of reduced 602(b) discretionary allocations;

Or to latch on to other funding sources, such as:

- Violent Crime Trust Funds (*separate discretionary caps*);
- Emergency appropriations (*more than "emergencies" sometimes included*);
- Working directly with the Reconciliation process, seeking opportunities for permanent solutions to limitations not permitted by the Budget Enforcement Act;
- Trying to latch on to other agencies authorities, where authority may exist to secure funds for Treasury-related activities.

***My job involves not only weighing decisions, but seizing opportunities when they come my way.*** But when none of that works, sometimes it's just a simple exercise in the art of persuasion -- ***begging -- if you must be so crude.*** Thieving aside, some would argue that there's no honor in begging, either. However, I prefer to believe what Andy Rooney says is correct. When you give money to a beggar, you know exactly where it is going. ***My job, ultimately, is the same: to create an environment that assures Congress that when they give us money, they know exactly where it is going.***